

REMARKS/ARGUMENTS

This Amendment is in response to the Office Action mailed May 20, 2004, in which Claims 1-37 were rejected. Applicants have thoroughly reviewed the outstanding Office Action including the Examiner's remarks and the references cited therein. The following remarks are believed to be fully responsive to the Office Action and, when coupled with the amendments made herein, are believed to render all claims at issue patentably distinguishable over the cited references.

Claims 1, 9, 15, 18, 23, 27 and 31 are amended herein. No claims are cancelled. Accordingly, Claims 1-37 are pending.

All the changes are made for clarification and are based on the application and drawings as originally filed. It is respectfully submitted that no new matter is added. Applicants respectfully request reconsideration in light of the above amendments and the following remarks.

Rejections under 35 U.S.C. 102

The Examiner has rejected Claims 1-37 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,601,044 issued to Wallman ("Wallman"). Applicants respectfully traverse such rejection.

The Wallman reference is directed to method and apparatus for enabling individual investors to create and manage portfolios of securities. Wallman discloses a computer-based system wherein an investor can choose to purchase securities him- or herself to create an individualized portfolio and, further, direct the later purchase and sale of those individual securities to manage his or her individualized portfolio. This reference and the system disclosed in Wallman are different from the invention as claimed by Applicants.

The invention as claimed by Applicants is directed to a method and system that allows individual investors to purchase a portfolio of holdings, that have been created and will be managed by a portfolio manager - not by the investor himself or herself, and become the owner of the individual holdings in that portfolio. The Wallman reference is directed to what is referred to as a cost-effective way to allow individual investors to create a portfolio of individual securities, similar to the manner in which large and/or cost-insensitive investors have operated for decades, i.e., by purchasing and selling individual holdings.

Wallman does not disclose, discuss or suggest utilizing a portfolio manager to manage a portfolio, nor the adjustment of the percentage of each holding in a portfolio by a portfolio manager, as provided for by all of the independent Claims (numbers 1, 15, 23 and 31). At page 4 of the Office Action, Examiner references column 21, lines 20-52 and column 22, lines 5-35 to support the proposition that Wallman discloses these limitations. This portion of Wallman, however, merely discusses the manner in which the instructions of the individual investor are carried-out by a broker in the Wallman system. The broker disclosed in Wallman is different from the portfolio manager described in the claimed invention. A broker, which could be used in conjunction the method and system of the claimed invention, carries out the buy/sell transaction. The portfolio manager as provided for by the claimed invention manages the portfolios and adjusts the percentage of the portfolio for each holding. Basically, the portfolio manager is the giver of the instructions to a broker in the claimed invention. Applicants have amended Claims 1, 15, 23 and 31 to clarify that a portfolio manager is utilized to manage the portfolios.

In conclusion, Applicants respectfully submit that all of the independent Claims (numbers 1, 15, 23 and 31) are allowable for the reasons stated above. Additionally, because these

independent Claims are allowable, all of the dependent Claims from Claims 1, 15, 23 and 31 should also be allowable.

Applicants respectfully request favorable consideration of each of the pending claims in view of the above remarks. Applicants' attorney would greatly appreciate the opportunity to discuss these remarks and the pending claims with the Examiner prior to issuance of an Office Action.

Respectfully submitted,



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